

Nationale Suisse creates a management information system based on IBM Cognos TM1 software



Overview

■ **Challenge**

Implement a performance management solution to support the company's new planning, budgeting, reporting and controlling requirements.

■ **Why IBM?**

IBM offered an OLAP tool that offered exceptional flexibility, performance

and Excel integration capability, along with an outstanding price-performance ratio.

■ **Solution**

IBM Cognos TM1 was implemented to provide users with optimal support for reporting and planning, with the focus on business variables.

■ **Benefits**

IBM Cognos TM1-based solution is helping to boost the company's competitiveness by improving planning security and streamlining and accelerating processes.

Nationale Suisse is an internationally active Swiss insurance company that markets risk and provident policies, as well as a range of customised niche products. Around 30 percent of this listed company's premium income of 1.67 billion Swiss francs is generated by its subsidiaries in Germany, Belgium, Italy and Spain.

Challenges faced

As part of a new corporate strategy defined in 2005, including the planned implementation of a value-driven management model and an expansion of CFO functions, the company decided to install a management information system (MIS). The specifications for the solution included calculating and delivering control variables for senior management and managers in the business units and sectors, as well as producing planning variables and providing support for strategic and operational planning.

These new planning, budgeting, reporting and controlling requirements needed to be implemented according to standard rules and within consistent structures across the entire Nationale Suisse group, at both a business unit and sector level.

Analysis and evaluation

With the assistance of Serwise AG, Nationale Suisse conducted an analysis of its numerous existing systems, data and structures. It found that reporting information came from many different sources, which were then used to create a wide range of individual reports. This type of data capture was unthinkable for

the future standard system, while the option of connecting each data source individually was ruled out due to the associated complexity and potentially high cost of development.

The company therefore decided to create a central data pool in the form of a data warehouse based on Microsoft® SQL server, bringing together cost data from SAP as well as information on premiums, claims and services from the host system. An OLAP tool would then be used to create various cockpits, from the management information system to sales, claims and technical controlling. The requirements for this OLAP tool included the option of creating online analyses, user-friendly operation, flexibility in terms of configuration and creation of new reports, as well as high levels of user acceptance. If possible, a standard solution should be selected to meet these requirements.

With the help of the consultants from Serwise AG, an IBM® Cognos® partner, Nationale Suisse prepared an evaluation paper and specifications, as well as a comprehensive list of potential suppliers. It then used these specifications to draw up a shortlist of four suppliers and products. A detailed evaluation then took place to select the two final candidates to take part in a two-week proof of concept. In the end, a professional presentation of the ideal solution for the job, the obvious flexibility of the product, Excel® integration capability and an outstanding price-performance ratio resulted in a unanimous decision in favour of implementing IBM Cognos TM1®.

“Without IBM Cognos TML, it would have been impossible to resolve the task in such a short time. I am still very pleased with the flexibility and performance of TML. It is the ideal tool for a company and team of our size. Low support expense was essential for us and we can support users with a small internal team.”

*Thomas Kramer,
Leader Cost- & Project-Controlling
Switzerland, Nationale Suisse*

Strategy followed

Implementation of the data pool and cockpits

Work began on the creation of the data pool in December 2005, IBM Cognos TM1 was selected in March 2006, and four months later the tool was already being used for operational planning. The first step in this implementation was the preparation of a blueprint of processes and data models. A small internal team and a prototyping approach then ensured rapid results.

In April 2007, financial management raised new requirements for the control concept, including specifications relating to data quality and the harmonisation of profit and loss structures for reporting. However, the company's switch to International Financial Reporting Standards (IFRS) had to be implemented before these requirements could be considered. This resulted in delays in the MIS project, culminating in management's decision to implement the control concept as part of the IFRS project. The associated tasks included integrating the newly evaluated accounting and consolidation financial system, as well as redesigning the data pool, MIS cubes and reports as a result of the switch to IFRS.

Goals safely achieved despite a few difficulties

Looking back, the system was actually built twice, due to drastic changes in requirements in 2007. The company decided to convert the management information system to a financial information system in order to produce accurate budget forecasts with as few deviations as possible. Management drove the switch to the IFRS accounting standard. The IFRS conversion project was carried out in parallel to, at times even slightly behind, mapping of the different requirements in the TM1 solution. Thanks to its better, faster and more flexible analysis options, IBM Cognos TM1 is now used for annual accounts controlling. In 2009, the company began using SAP ECC 6.0 for accounting and Tagetik for annual accounts consolidation. On both occasions, the evaluated and planned solution was implemented successfully.

Benefits realised

Nationale Suisse's IBM Cognos TM1-based solution is helping to boost the company's competitiveness by improving planning security and streamlining and accelerating processes. Acceptance levels are high, with many enthusiastic users of IBM Cognos TM1.

Years of cooperation, from consultancy and support to evaluation and implementation of the central data pool, over the various development phases of the MIS solution, have helped to forge a strong partnership between Nationale Suisse, Serwise AG and Frank Ihringer. The success of the partnership was based on great flexibility and reliability, as Thomas Kramer from Nationale Suisse confirms.

IBM Cognos TM1 used in many areas

Around 200 to 250 active users now use the solution for cost planning and reporting. The company intends to roll the tool out to its subsidiaries in future, to allow them to access IBM Cognos TM1 for analyses and reporting. In terms of business roles, the main users are controllers - from financial controllers for planning, profit and loss and general forecasts, to division controllers who use the solution to prepare reports for their division managers. An additional 150 cost managers in Switzerland, including the general agent, use the solution for sales and controlling. As is the case in most companies, frequent requests for changes and additions are received from all departments, in particular in relation to analyses. To avoid overburdening Thomas Kramer's team, the company plans to train more people to define their own reports and to use the existing cubes more effectively and autonomously.

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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